

17354

AGREEMENT

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This agreement entered into this 24TH day of OCTOBER 1961,
in original and four copies, by and between the State of Utah, acting through the UTAH WATER
AND POWER BOARD, First Party, sometimes referred to herein as the STATE, and the _____

MATSON SPRINGS IRRIGATION COMPANY

, a corporation, organized under the laws of the
State of Utah, Second Party, sometimes referred to as the WATER COMPANY.

WITNESSETH

THAT WHEREAS, the STATE desires to promote a water conservation project consisting of
a 16-inch diameter well approximately 500 feet deep, located at 400 South and
400 West in Springville, Utah, more specifically described as being North 900
feet and East 75 feet from Southwest Corner, Section 33, T7S, R3E, SLB&M

WHEREAS, it is the desire of the WATER COMPANY to enter into a contract with the
STATE, for a consideration to be hereinafter provided, and to use the water developed by the
aforesaid project, and as the WATER COMPANY has the available manpower and facilities neces-
sary to construct the aforesaid project, and is ready, willing and able to enter into a contract for
such purpose.

NOW THEREFORE, the Parties hereto enter into the following agreement and make the fol-
lowing assignments:

1. The WATER COMPANY hereby agrees to convey, grant and warrant to the STATE,
title, in fee simple, as required to the real estate upon which the structures are to be constructed; and
further agrees to convey, grant and warrant to the STATE, title to such easements and rights-of-
way as shall be necessary to enable the STATE to construct, maintain and operate said project;
and further agrees to grant and convey to the STATE an easement to use any and all of the
WATER COMPANY'S facilities in the Matson Springs Irrigation Company's distribution
system located in Sections 31, 32, and 33, T7S, R3E, SLB&M.
2. The WATER COMPANY hereby agrees to convey, assign and quitclaim to the STATE all
right, title and interest which it has or may have, to the right to use of water which shall be saved
or conveyed through the use of the aforesaid project, and particularly application No. 32777
filed with the office of the State Engineer; and also all rights to the use of
water from Matson Springs.
3. The WATER COMPANY recognizes as valid the conveyance of easements and rights-of-way
executed by various owners of the benefited land to the STATE, and agrees that all performance
by the WATER COMPANY under this contract shall be subservient to, and in recognition of, the
aforesaid rights of the STATE in and to the aforesaid easements and rights-of-way.
4. The WATER COMPANY agrees to supply the necessary manpower and facilities, and
agrees to complete the construction of the aforesaid project at a cost in accordance with plans,
specifications and work items, a copy of which is hereby incorporated by reference and made a
part hereof.
5. The STATE agrees to pay to the WATER COMPANY Seventy percent of the
total cost of constructing the project, but in no event shall the amount paid by the STATE exceed
\$10,000.00, and the WATER COMPANY shall itself pay for all costs in excess of the amount
paid by the STATE. The WATER COMPANY agrees and undertakes to construct to completion
as designed and specified, the aforesaid project in all events regardless of unforeseen contingencies,
and agrees to pay all costs in excess of the aforesaid amount paid by the STATE.
6. It is further agreed that the STATE shall pay ninety percent (90%) of the amount pay-
able by the STATE to the WATER COMPANY upon the presentation by the WATER COM-
PANY to the STATE of a certified statement of the payment requirement which shall be in the
nature of a partial estimate of the work completed to date by the WATER COMPANY on each work
item. The ten percent (10%) withheld as above set forth will become due and payable to the
WATER COMPANY with, and as a part of, the final payment to be made by the STATE upon
completion of the project, and its inspection and acceptance by an engineer designated by the
STATE

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7. It is further agreed that the WATER COMPANY shall complete the construction of the project on or before December 1, 1961, and that title to the entire project, including all appurtenant facilities and water rights shall immediately vest in the STATE. It is also agreed that this contract shall not become binding upon the STATE until it has been signed by all persons and agencies required by law, and that the STATE shall not become liable to the WATER COMPANY for any commitments made by the WATER COMPANY until this contract has been completed.

8. The STATE agrees to sell, and the WATER COMPANY agrees to purchase, the land, easements, rights-of-way, water rights, the constructed works, and all appurtenant facilities acquired by the STATE in this Agreement and Assignments at a total purchase price defined to be the combined total of all funds paid by the STATE to the WATER COMPANY for the construction of the project, but not to exceed \$10,000.00, plus all expense incurred by the STATE for the investigation, engineering and inspection of the project, and to be determined by the STATE upon the completion of the project, and payable over a period of time not to exceed ten (10) years, in annual installments of one tenth (1/10), or more per year, of the total purchase price as defined above, without interest.

9. The first annual installment of one tenth (1/10), or more, of the total purchase price, as defined above, shall become due and payable on the First day of December 1962, and a like sum, or more, to be due and payable on the First day of December of each and every year thereafter until the full purchase price, as defined above, shall have been paid in full; said sums shall be payable at the office of the UTAH WATER AND POWER BOARD, and the first monies received by the STATE under the terms of this contract will be applied against the indebtedness incurred by the STATE for investigation, engineering and inspection, until fully paid, and any residue will be applied to funds paid by the STATE for the construction of the project. Delinquent payments shall bear interest at a rate of six percent (6%) per annum.

10. The WATER COMPANY hereby orders and directs that all payments made under this agreement shall be made payable to Matson Springs Irrigation Company, and mailed to Reed L. Rigtrip, President Springville, Utah

11. During the period of such purchase under this contract, provided the WATER COMPANY is not delinquent in any manner, the WATER COMPANY shall have, and is hereby given the right to use, the STATE'S water rights, and all facilities constructed thereunder. The WATER COMPANY does hereby assume during the life of this agreement, the full obligation of maintaining the construction works, and other facilities, and of protecting all water rights from forfeiture.

12. In order to secure the payment of the aforesaid purchase price, it is hereby expressly agreed that the STATE may require the WATER COMPANY to assess all outstanding shares of their stock for the full amount of any delinquencies in the aforesaid purchase installments. It is further agreed by the WATER COMPANY that it will not incur any mortgage or encumbrances, other than those already acquired by it, on any of its property, real or personal, without first securing the written consent of the STATE. It is further agreed that the WATER COMPANY will not incur any indebtedness whatsoever for a principal sum in excess of \$20,000.00, without first procuring the written consent of the STATE. The remedies herein provided shall be deemed cumulative, and not exclusive.

13. The WATER COMPANY, hereby warrants to the STATE, that the construction of the project will not interfere with existing water rights. If the project herein described shall give rise to a claim, or cause of action to any holder of any water rights because of the interference with such rights by the operation of the aforesaid project, then the WATER COMPANY hereby agrees to indemnify the STATE to the extent of such claim or cause of action.

After the WATER COMPANY shall have paid in full the purchase price as defined above, the STATE shall, with the approval of the Utah State Senate, execute such deeds and bills of sale as will be necessary to re-vest the same title to the aforesaid property and water rights in the WATER COMPANY, as are vested in the STATE.

14. If either party to the contract violates any of the conditions or covenants made herein, the other may give written notice of such breach or failure, and if the same shall not be cured within ninety (90) days after such notice, the other may declare the contract forfeited and may proceed to its remedies at law for such breach.

15. The WATER COMPANY hereby agrees to assume the full obligation for any claim or liability for any injury or death of persons, or for any property loss or damage that may arise in accomplishing the construction of this project for the STATE, and further, the WATER COMPANY agrees to hold the STATE immune for all such claims for damages, injury, or death of persons during the life of this agreement.

16. That this agreement, or any part thereof, or the benefits to be received under this agreement, may not be the subject of an assignment to any other person, firm or corporation, by the said WATER COMPANY without having first secured the written consent of the STATE to any such proposed assignment or disposition of this agreement.

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IN WITNESS WHEREOF, the State of Utah, acting through the UTAH WATER AND POWER BOARD, Party of the First Part, has caused these presents to be signed by the Chairman and Executive Director of the said Utah Water and Power Board, by authority of a resolution of said Board at a meeting held July 21, 1961; and the

Matson Springs Irrigation Company Party of the Second Part, has caused these presents to be signed and executed on its behalf by Reed L. Rigtrip, its President, and Lewis B. Childs, its Secretary, by a resolution of its stockholders at a meeting held March 6, 1961.

UTAH WATER AND POWER BOARD

APPROVED: BOARD OF EXAMINERS - STATE OF UTAH

[Signature]
Governor

[Signature]
Secretary of State

[Signature]
Attorney General

APPROVED: AS TO AVAILABILITY OF FUNDS - STATE FINANCE COMMISSION

[Signature]
Chairman

[Signature]
Commissioner

[Signature]
Commissioner

[Signature]
Vice Chairman

[Signature]
Executive Director

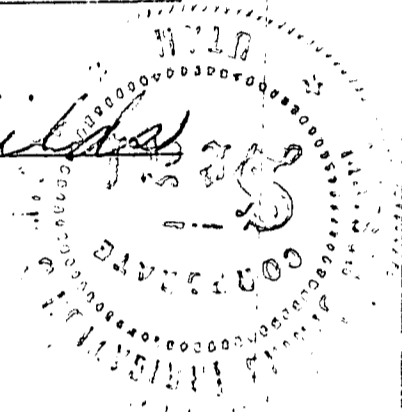
MATSON SPRINGS IRRIGATION COMPANY (Water Company)

[Signature]
President

[Signature]
Secretary

APPROVED AS TO FORM:

[Signature]
Assistant Attorney General



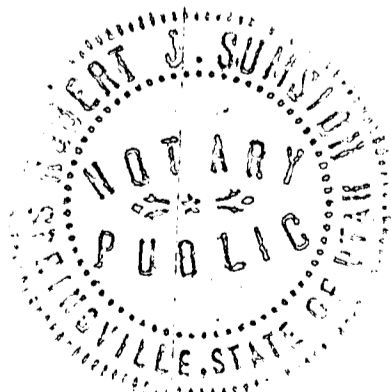
STATE OF UTAH } ss.
County of UTAH }

On the 24th day of OCTOBER, 1961, personally appeared before me Reed L. Rigtrip, and Lewis B. Childs who being by me duly sworn, did say that they are the President and Secretary, respectively, of the Matson Springs Irrigation Company, and that the said instrument was signed in behalf of said corporation by authority of a resolution of its stockholders, and said Reed L. Rigtrip and Lewis B. Childs acknowledged to me that said corporation executed the same.

[Signature]
Notary Public

Residing at: SPRINGVILLE, UTAH

My Commission Expires: NOVEMBER 13, 1962



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THELMA VEST SMURTHWAITE
UTAH COUNTY CLERK
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